

Rio Homes – Affordable Units – Phase 2

Frequently Asked Questions

Q: Who is eligible to apply to purchase one of the affordable units at Rio Homes?

A: An applicant or household whose income does not exceed 80% of the Area Median Income (AMI) for Flagstaff, as determined by the U.S. Department of Housing and Urban Development (HUD) guidelines effective on March 8, 2006. To qualify for an Affordable Unit, gross household income can not exceed:

<u>No. of Household Members</u>	<u>Maximum Income 80% AMI</u>
1	\$30,350.00
2	\$34,700.00
3	\$39,000.00
4	\$43,350.00
5	\$46,850.00
6	\$50,300.00
7	\$53,750.00
8	\$57,250.00

Q: What constitutes a household?

A: A household constitutes the number of persons living in the home regardless of marital or legal status.

Gross income from all household members shall be considered in determining compliance with income eligibility requirements.

Q: What are the minimum income requirements?

A: To qualify for a mortgage loan, the total annual household income as determined by the lender must be adequate to support the requested mortgage amount.

Normally the lender will use a "Housing Debt Ratio" of housing expense to include principal, interest, mortgage insurance, real estate taxes and unit owner's insurance and a "Total Debt Ratio" including housing and all other debts. The precise ratios and minimum income requirements will vary for each applicant according to the terms of the loan, the amount of down payment, the interest rate and other factors.

Q: How many units are available?

A: There are three (3) affordable units remaining within Rio Homes – Eligibility lists will be retained for the next six (6) months.

Q: What is the sale price for the Phase 2 Affordable Units?

A: The current sale price for the Phase 2 Affordable Units is \$155,000.

Q: Do we need to pre-qualify for a mortgage?

A: Yes. Applicants are required to submit a pre-qualification letter with the Eligibility Application for an amount sufficient to purchase an affordable unit. If the applicant qualifies for less than the purchase price, additional documentation of other funding must be provided with the Eligibility Application.

Q: Where are the affordable units located and when will they be available for occupancy?

A: The affordable units are inter disbursed in Rio Homes located off of Pine Knoll Drive. There are currently three units ready for occupancy.

Q: Are there any programs to assist me with purchasing a unit?

A: There are two down payment and closing cost assistance programs funded by the City of Flagstaff. Both of these programs are administered by local non-profit agencies, who also administer other programs that may be able to assist you as well.

BOTHANDS
2304 North 3rd Street
Flagstaff, AZ 86001
(928) 214-7456
www.bothands.org

NACOG
119 East Aspen Ave
Flagstaff, AZ 86001
(928) 774-1895
www.nacog.org

Q: How will applicants for the affordable units be selected?

A: Households submitting a complete Eligibility Application prior to the deadline (**4pm on August 14, 2006**) will be screened for eligibility. Late applications will not be considered. NO EXCEPTIONS. All applicants determined to be eligible will be considered and if necessary, a lottery will be held to determine order of purchase.

Q: Why is there a lottery?

A: The lottery selection process is for use in the typical situation where the number of eligible applicants exceeds the number of affordable units, as we anticipate in this situation.

Q: After the initial lottery, what is the process of selecting an affordable buyer, should the number of eligible applications be less than the number of affordable units?

A: In this instance, applications will be received on a rolling basis and units will be sold to qualified applicants on a first come first served basis.

Q: How is the lottery conducted?

A: Households submitting a complete application prior to the application deadline (4pm on August 14, 2006) will be screened. All applicants will be notified in writing of their eligibility status. All applicants determined to be eligible will also receive in writing further information including the date, time and location of the lottery.

Q: Do I need to attend the lottery?

A: Applicants do not need to attend the lottery to be eligible to purchase an affordable home. All eligible applicants will be notified in writing of the lottery outcome. Lottery winners will be notified immediately following the lottery and will receive clear instructions regarding the purchase procedures.

Q: My income is over the maximum income limit, are there any other programs for me?

A: You may not qualify for an Affordable Unit at Rio Homes, however there are other homeownership programs you may qualify for. The Community Homebuyer Assistance Program (CHAP) administered by BOTHANDS can assist households with incomes up to 115% AMI with down payment and closing cost assistance. NACOG also offers a program that can assist households with higher incomes.

The City of Flagstaff will have additional homeownership opportunities for households with incomes up to 150% AMI through the Community Land Trust Program in the next 24 months. If you are not already on the interest list, please send an email to sdarr@ci.flagstaff.az.us or call 779-7632 ext. 7262 and leave your name and address.

Q: My household size is too large, will there be other units coming on-line in the future?

A: Yes. The units available within Rio Homes are 3-bedroom units. While this unit size is not adequate for some households, it is a goal to have adequate affordable housing stock that is household size appropriate. Please continue to check with us, as there will be new projects coming on-line in the future.

